

Financial Statements**St. Tammany Parish
Recreation District No. 4****Lacombe, Louisiana****December 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/28/10

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Independent Accountant's Report

To the Board of Commissioners
St. Tammany Parish Recreation District No. 4
Lacombe, Louisiana

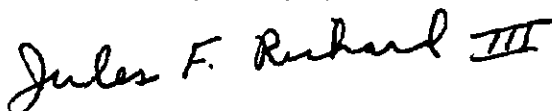
I have reviewed the accompanying Financial Statements of Governmental Activities (the Financial Section) of the St. Tammany Parish Recreation District No. 4 as of and for the year ended December 31, 2009, as listed in the foregoing table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Recreation District No. 4 of St. Tammany Parish.

A review consists principally of inquiries of Recreation District No. 4 of St. Tammany Parish's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As described in the notes to the basic financial statements, the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis For State and Local Governments, as of January 1, 2003. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Independent Accountant's Report on Applying Agreed-Upon Procedures presented as Supplementary Information was based on performing procedures included in the *Louisiana Government Audit Guide*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described in the report either for the purpose of which this report has been requested or for any other purpose.



Jules F. Richard, III
Certified Public Accountant

February 22, 2010

ST. TAMMANY PARISH RECREATION DISTRICT No. 4
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

ASSETS	Governmental Activities
Cash and Cash Equivalents	\$ 66,597
Accounts Receivable	750
Capital Assets, Net	<u>1,263,386</u>
 TOTAL ASSETS	 1,330,733
 LIABILITIES	
Current Liabilities	
Accounts Payable	-
Accrued Beverage Agreement Income	10,800
Accrued Expenses	<u>12,822</u>
Total Current Liabilities	23,622
 Debt	
Due within one year	165,000
Due in more than one year	<u>348,000</u>
Total Debt	513,000
 TOTAL LIABILITIES	 536,622
 NET ASSETS	
Invested in Capital Assets, Net of Related Debt	750,386
Restricted for:	
Capital Improvements	-
Unrestricted	<u>43,725</u>
 TOTAL NET ASSETS	 <u>\$ 794,111</u>

ST. TAMMANY PARISH RECREATION DISTRICT No.4
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009

	Statement of Activities	Adjustment (Note 1)	Governmental Funds
EXPENDITURES			
Recreation Operation			
Administration Cost and Salaries	\$ 60,133	\$ -	\$ 60,133
Depreciation	64,828	64,828	-
Sport Programs	31,402	-	31,402
Fields & Parks	26,673	-	26,673
Insurance	27,039	-	27,039
Operating Costs	30,079	-	30,079
Community Center	11,766	-	11,766
Summer Programs	5,262	-	5,262
Professional Fees	4,800	-	4,800
Office	3,079	-	3,079
Banners and Signs	756	-	756
Special Events	1,759	-	1,759
Interest	20,089	-	20,089
All Other	947	-	947
Total Expenditures	<u>288,612</u>	<u>64,828</u>	<u>223,784</u>
PROGRAM REVENUES			
Concession Income(net of cost of \$15,608)	4,256	-	4,256
Charges for Service	25,663	-	25,663
Net Program Revenues	<u>29,919</u>	<u>-</u>	<u>29,919</u>
GENERAL REVENUES			
Property Taxes	301,102	-	301,102
Economic Impact Fees and Donations	15,000	-	15,000
Rent	11,375	-	11,375
Crab Festival-Cookoff	4,000	-	4,000
Beverage Service Agreement	3,300	-	3,300
Investment Earnings	248	-	248
All Other	1,360	-	1,360
Total General Revenues	<u>336,385</u>	<u>-</u>	<u>336,385</u>
Total Revenues	336,304		366,304
Excess of Revenues Over Expenditures	77,692	64,828	142,520
Other Financing Sources			
Gym Construction Cost	-	(46,906)	(46,906)
Principle-Paydown of Loan	-	(159,000)	(159,000)
Excess of Revenues Over Expenditures & Other Sources	77,692	(141,078)	(63,386)
Net Fixed Assets-Beginning of Year	-	(1,281,308)	(1,281,308)
Net Financial Assets-Beginning of Year	-	672,000	672,000
Fund Balance Beginning of Year	<u>716,419</u>	<u>-</u>	<u>716,419</u>
END OF YEAR	<u>\$ 794,111</u>	<u>\$ (750,386)</u>	<u>\$ 43,725</u>

ST. TAMMANY PARISH RECREATION DISTRICT No.4
 COMBINED BALANCE SHEET
 ALL FUND TYPES
 DECEMBER 31, 2009

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Total Memorandum Only</u>
ASSETS			
Cash and Cash Equivalents	\$ 66,597	\$ -	\$ 66,597
Account Receivable	<u>750</u>	<u>-</u>	<u>750</u>
		-	
TOTAL ASSETS	<u>\$ 67,347</u>	<u>\$ -</u>	<u>\$ 67,347</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Account Payable	\$ -	\$ -	\$ -
Accrued Beverage Agreement	10,800	-	10,800
Accrued Expenses	<u>12,822</u>	<u>-</u>	<u>12,822</u>
		-	
TOTAL LIABILITIES	<u>23,622</u>	<u>-</u>	<u>23,622</u>
Fund Balance			
Reserve for Capital Projects	-	-	-
Unreserved	<u>43,725</u>	<u>-</u>	<u>43,725</u>
TOTAL FUND BALANCE	<u>43,725</u>	<u>-</u>	<u>43,725</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 67,347</u>	<u>\$ -</u>	<u>\$ 67,347</u>

NOTE: With the acceptance of the new gym on January 16, 2009, the Capital Project Fund was closed out into the General Fund.

ST. TAMMANY PARISH RECREATION DISTRICT No.4
RECONCILIATION OF GOVERNMENTAL FUND COMBINED BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009

Fund Balances - Total Governmental Fund (Page 3) \$ 43,725

Amounts Reported for Governmental Activities in the
Statement of Net Assets Are Different Because:

Capital Assets Used in Governmental Activities Are Not
Financial Resources and , Therefore, Not Reported in the Funds

Governmental Capital Assets	\$ 1,511,861	
Less Accumulated Depreciation	<u>248,475</u>	1,263,386

Debt Used in Governmental Activities Are Not Financial Uses
and, Therefore, Are Not reported in the Funds

Debt Related to Capital Assets	<u>(513,000)</u>
--------------------------------	------------------

Net Assets - Governmental Activities (Page 2) \$ 794,111

ST. TAMMANY PARISH RECREATION DISTRICT No.4
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>
REVENUES			
Taxes and State Revenue Sharing	\$ 301,102	\$ 296,892	\$ 4,210
Economic Impact Fees and Donations	15,000	30,000	(15,000)
Charges for Service	29,919	27,260	2,659
Rent	11,375	15,600	(4,225)
Beverage and Festival Agreement	7,300	5,300	2,000
Investment Earnings	248	1,200	(952)
All Other	<u>1,360</u>	<u>-</u>	<u>1,360</u>
Total Revenue	<u>\$ 366,304</u>	<u>\$ 376,252</u>	<u>\$ (9,948)</u>
EXPENDITURES			
Administration- Cost and Salaries	\$ 60,133	\$ 60,715	\$ (582)
Sports Programs	31,402	31,700	(298)
Fields & Parks	26,673	26,700	(27)
Insurance	27,039	27,039	-
Operating Costs	30,079	30,079	-
Community Center	11,766	15,300	(3,534)
Summer Programs	5,262	5,350	(88)
Professional Fees	4,800	4,800	-
Office	3,079	3,150	(71)
Banners and Signs	756	756	-
Special Events	1,759	2,000	(241)
Interest	20,089	24,049	(3,960)
All Others	<u>947</u>	<u>2,114</u>	<u>(1,167)</u>
Total General Fund	223,784	233,752	(9,968)
OTHER FUNDS			
Reduction of Debt	159,000	159,000	-
TOTAL EXPENDITURES	<u>\$ 382,784</u>	<u>\$ 392,752</u>	<u>\$ (9,968)</u>

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the St. Tammany Parish Recreation District No.4 is presented to assist in understanding the recreation district's financial statements. The financial statements are the representation of the management of the recreation district who is responsible for their integrity and objectivity.

a. Nature of Operations

The St. Tammany Parish Recreation District No. 4 was created by the St. Tammany Parish Police Jury on August 6, 1981, pursuant to Louisiana Revised Statute 33:4564. The district has the authority to own and operate facilities and engage in activities which promote recreation. The governing board is made up of seven commissioners appointed by the Police Jury (Parish Council) who serve four-year terms.

b. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The St. Tammany Parish Police Jury appoints the governing board, but does not significantly influence operations, fiscal matters or the scope of public service. Therefore, the district was determined to be a separate governmental entity. For financial reporting purposes, the District is a component unit of the St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2009.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

c. Basis of Presentation

The accompanying financial statements of the St. Tammany Parish Recreation District No. 4 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 1 (CONTINUED)

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional governmental fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the District continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the District:

General Fund--- The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Capital Projects Fund--- This fund is used to account for the construction of the new community center and gym.

d. Change in Accounting

In June of 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. One of the more significant changes in Statement No. 34 includes for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 1 (CONTINUED)

statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. However, other changes are reflected in the accompanying basic financial statements (including notes to financial statements). The District elected to implement the general provisions of Statement No. 34 in 2003.

e. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

All government funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financial sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Revenues

All revenues are recognized in the amounts earned, to the extent that they are both measurable and available.

Ad valorem taxes are levied based on property values determined by the St. Tammany Assessor (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. The District was authorized to levy an ad valorem tax of 10 mills in 2001, commencing in 2002 and ending in the year 2011. The tax is to be used for the purpose of acquiring, constructing, improving, maintaining, or operating parks, playgrounds, recreation centers, and other recreational facilities.

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE1 (CONTINUED)

within the boundaries of the Lacombe Recreation District.

This tax is assessed on a calendar year basis and becomes due each year on December 31. The St. Tammany parish Sheriff's Office collects the tax for the St. Tammany Parish Recreation District No. 4 and remits to the District the monies after collection. The taxes are generally remitted to the District in February, March and April of the next fiscal year. Since the tax is not available for use until the following tax year, it is not set up as a receivable at year-end.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g. Operating Budgetary Data

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE1 (CONTINUED)

h. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

i. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$600 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Improvements	20-30 years
Machinery and Equipment	5-10 years
Building	30 years

Fund Financial Statements

In the fund financial statements, the capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j. Vacation, Sick Leave and Pension Plan

The District has not established a policy concerning vacation and sick leave and has not established a pension plan.

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 1 (CONTINUED)

k. Fund Equity

Equity is classified as net assets and displayed in three components.

Government –wide Statements

- Investment in capital assets- consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets- Consists of net assets with certain constraints place on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets- All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2009 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements

Government fund equity is classified as fund balance. Fund balance is further classified as reserved or unreserved, with unreserved further split between designated and undesignated.

l. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

m. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as the following:

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 1 (CONTINUED)

Transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund, and "Transfers Out" by the disbursing fund.

On the Government Funds Balance Sheet, receivables and payables resulting from short term interfund loans are classified as "Due to Other Funds". These amounts are eliminated on the statement of net assets.

NOTE 2- CASH

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

As of December 31, 2009, the District had cash (book balance) totaling \$66,597. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These deposits are also secured from risk by federal deposit insurance in the amount of \$100,000.

NOTE 3- CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>TOTAL</u>	DEPRECIATION <u>ALLOWANCE</u>	<u>NET</u>
BALANCE 1/01/09	\$ 1,464,955	\$ 183,647	\$ 1,281,308
ADDITIONS	<u>46,906</u>	<u>64,828</u>	<u>(17,922)</u>
BALANCE 12/31/09	<u>\$ 1,511,861</u>	<u>\$ 248,475</u>	<u>\$ 1,263,386</u>

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 3(CONTINUED)

The 2009 additions consist of the construction cost of \$46,906 for the new gym. As of the end of the year, the total cost expended on the new gym was \$1,058,602. The new building was accepted from the contractor on January 16, 2009 and the District started depreciation of this asset as of that date.

Depreciation expense for the year ended December 31, 2009 was \$64,828.

NOTE 4- LEASE OBLIGATIONS

The District did not have any capital or operating leases for the year ended December 31, 2009.

NOTE 5- RELATED PARTY TRANSACTIONS

The District was not involved in any related party transactions for the year ended December 31, 2009.

NOTE 6- COMPENSATION OF BOARD MEMBERS

The St. Tammany Parish Recreation District No. 4 paid no compensation to its board members as of and for the year ended December 31, 2009.

NOTE 7- CERTIFICATES OF INDEBTEDNESS

The District pursuant to the authority granted by the State Bond Commission was authorized to levy a tax of 10 mills from 2002 through 2011. In conjunction with the authorization, the District issued its certificates of indebtedness to a bank in the original amount of \$700,000. The purpose of the issuance of the certificates of indebtedness was for the construction of a community center/gym in Lacombe, Louisiana. These certificates have a maturity of seven (7) years beginning May 2006 and bear interest of 3.32%. Interest and principal payments are due annually on May 1.

In March of 2007, the District borrowed an additional \$310,000 and issued certificates of indebtedness to the same bank. The purpose of the indebtedness is also to finance the new community center gym. These certificates have a maturity of five years beginning March 1, 2008 and bear interest of 4.01%. Interest and principal payments are due annually on March 1.

Interest accrued for the year ended 2009 on both certificates is \$12,822. Both loans are secured by and payable from an irrevocable pledge and dedication of the funds to be

St. Tammany Parish Recreation District No. 4
Notes to Financial Statements
December 31, 2009

NOTE 7 (CONTINUED)

derived by the issuer from the levy and collection of a tax of 10 mills (as such rate may be adjusted from time to time due to reassessment) to be levied in each year until paid per the schedule shown below.

Remaining annual debt service requirements to maturity are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$ 165,000	\$ 18,363	\$ 183,363
2011	171,000	12,471	183,471
2012	177,000	6,339	183,339
	<u>\$ 513,000</u>	<u>\$ 37,173</u>	<u>\$ 550,173</u>

NOTE 8- ACCRUED BEVERAGE AGREEMENT INCOME

On January 26, 2006 the District signed a beverage agreement with a local distributor of Pepsi products. This agreement makes Pepsi the sole, exclusive and official beverage at all facilities managed, operated or acquired by St. Tammany Parish Recreation District No. 4.

The terms of this agreement shall be for 10 years commencing on January 1, 2006 and terminating on December 31, 2015. However, ratification of this agreement will be required by the Board of Commissioners of Recreation District No. 4 at its first meeting in 2012 in order for the agreement to continue. Failure to ratify will result in termination of the agreement and a pro rata reimbursement of all monetary payments made but not earned by Customer to Pepsi.

As consideration for the agreement, the District received a one-time marketing fee of \$18,000. This amount shall be deemed to be earned equally over the term of this agreement. In addition, the District shall receive an annual payment of \$750 in years 2 through 10 of the agreement.

As of December 31, 2009, the District has earned the fourth year payment of \$1,800 leaving \$10,800 in accrued income to be earned over the next six years.

ATTESTATION INFORMATION

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Board of Commissioners
St. Tammany Parish Recreation District No. 4
Lacombe, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the St. Tammany Parish Recreation District No. 4 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the St. Tammany Parish Recreation District No. 4's compliance with certain laws and regulations during the year ended December 31, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for any amount in excess of \$20,000 or a public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedures (3)] appeared on the list provided by management in agreed-upon procedures (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

I obtained a copy of the budget and all amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minutes book.

I traced the adoption of the original budget to the minutes of a meeting held in January 2007 which indicated that the budget had been adopted.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

This procedure is not necessary because the St. Tammany Parish Recreation District No. 4 is a special revenue fund with anticipated expenditures of less than \$500,000 and is exempt from this state revenue law.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account: and

All payments were properly coded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the chairman of the district. In addition, all board members are given a list of all disbursements made since the last board meeting for their review.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by SLA-RS 42:1 through 42:12 (open meetings law).

St. Tammany Parish Recreation District No. 4 posts a notice for each meeting and its accompanying agenda at two places. The notice is posted at the City Library Annex Building (where the board meets). In addition, it is also posted on the community notice board which is located on Main Street in the district. Although management has asserted that such documents were properly posted, by its nature, we could find no evidence supporting such assertion other than copies of the notices showing the agenda.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and note no deposits which appeared to be proceeds of bank loan, bonds or like indebtedness except for the approved debt set up on the District's financial statements.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted above. I also inspected payroll records for the year and note no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

My prior year report, dated February 23, 2009 did not include any comments or unresolved matters.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of the St. Tammany Parish Recreation District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

February 22, 2010

A handwritten signature in black ink that reads "Jules F. Richard, III". The signature is written in a cursive style with a horizontal line under the name.

Jules F. Richard, III
Certified Public Accountant

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

2-28-10 (Date Transmitted)

Jules Richard CPA
21235 SHADY LANE
COVINGTON, LA. 70435 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

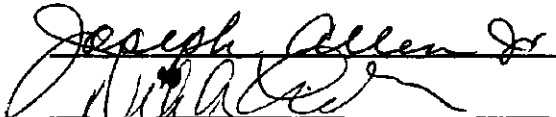


Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	<u>04/14/10</u>	Date
	Treasurer	<u>4/14/10</u>	Date
	President	<u>4/14/10</u>	Date